

ER 60-7087/a

1 OCT 1960

✓ *card*
Mr. Charles B. Shuman, President
American Farm Bureau Foundation
2300 Merchandise Mart
Chicago 54, Illinois

Dear Mr. Shuman:

Thank you very much for your letter of
8 September inviting me to speak at the annual
convention of the American Farm Bureau Federation
in Denver, Colorado on 13 December.

It is a little early for me to make a definite
commitment for the month of December and I cannot
give you a firm answer until the latter part of
October. I realize, of course, that you must proceed
to make your schedule well in advance and, if this is
not satisfactory, please let me know.

With kindest regards.

Sincerely,

SIGNED

Allen W. Dulles
Director

O/DEI, bak(14 Sept. 60)

Distribution:

Orig. - Addressee

1 - DCI

1 - Col. Grogan

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(EXECUTIVE REGISTRY FILE *Invitation*)

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STAT

MEMORANDUM FOR: MR. DULLES

The American Farm Bureau Federation (Mr. Harris) called today to inquire if their letter had been received, requesting you to address their organization on 13 December.

Mr. Harris hoped that you would give them an early, favorable reply.

JI

29 September 1960
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

13 September 1960

MEMORANDUM TO:



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The American Farm Bureau Federation is not only the largest farm organization in the U. S. but runs one of the most effective lobbies in the Capitol.

It is always up to its neck in politics which is, of course, one of the reasons for its existence. It is an Anti-Communist organization.

Since this meeting will be on Tuesday, 13 December, in Denver, Colorado with election results well behind us, I would recommend the DCI accept this invitation.



Stanley J. Grogan
Assistant to the Director

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MEMORANDUM FOR: Mr. Dulles:

Stan Grogan recommends that you accept this invitation and I am attaching his comments for your information.

AAE
14 S pt. '60
(DATE)

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FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)



GENERAL OFFICES
2300 MERCHANDISE MART
CHICAGO 54, ILLINOIS
MICHIGAN 2-1280
CABLE ADDRESS: AMFARMBUR

American Farm Bureau Federation

September 8, 1960

The Honorable Allen W. Dulles, Director
Central Intelligence Agency
2430 E Street
Washington, D. C.

Dear Mr. Dulles:

The American Farm Bureau Federation is the largest general farm organization in the United States having 1,600,000 member families in 49 States and Puerto Rico. Our membership represents three out of four of the organized farmers in the United States. We would like to invite you to address the 1960 general session of our annual convention on Tuesday afternoon, December 13. The convention this year will be held in Denver, Colorado, and we expect an attendance of approximately 5,000 delegates and members at the general sessions which will be held in the City Auditorium.

We believe that your message would have tremendous impact on our leaders, who are vitally interested in preserving individual freedom and resisting the threats of Communist subversion.

I am enclosing a copy of the statement which was presented by the American Farm Bureau Federation to the Platform Committees of both political parties. You will notice on pages 5 and 6 that our greatest concern is to strengthen and defend our American political and economic system.

I certainly hope that it will be possible for you to fit this date into your schedule as our leaders have a great admiration for the work which you and the CIA are doing. We need to bring home to them the importance of their role in securing better understanding by all citizens of the very real dangers that face our nation.

We would, of course, plan to pay your expenses as well as an honorarium. If I can supply any further information, please advise me.

Very truly yours,

Charles B. Shuman
Charles B. Shuman, President

CBS:ml

Enc.

**Farm Bureau's
Platform
For America**



1960

This, in essence, is what representatives of over 1,600,000 farm families will recommend to the Republican and Democratic National Conventions in 1960.



AMERICAN FARM BUREAU FEDERATION

FOREWORD

THE AMERICAN Farm Bureau Federation is a voluntary general farm organization with member state organizations in 49 states and Puerto Rico. It is financed by dues paid by its members. Membership has increased in 19 of the last 21 years and now totals 1,602,117 farm and ranch families.

Farm Bureau policies are arrived at through an extensive membership participation program which involves study, discussion, and development of resolutions at local, county, state and national meetings by the members or their elected delegates.

This statement is based on policy resolutions developed through this process.

Our confidence that these recommendations accurately reflect the thinking of farmers and ranchers throughout the country is built on our knowledge of (1) widespread membership participation in the development of Farm Bureau policies, and (2) the increasing number of farm families who have *voluntarily* seen fit to give financial support to Farm Bureau policies and programs by becoming members.

Our two-party political system is a basic element of stable government. Political parties have a tremendous responsibility to exercise wisdom and discretion in the development of national policy.

Politics, broadly conceived as the science of self-government, should be of paramount concern to every citizen of our republic. If the individual is to be effective in controlling the scope of government in these days of "big government," it is imperative he have the opportunity to join with others in voluntary, strong, independent, non-governmental associations of citizens.

ON behalf of the responsible citizens who are members of Farm Bureau and who have participated in the development of its policies, it is a privilege to present to the Democratic and Republican Conventions our viewpoints on some of the major issues of our time. Time permits us to present in detail our recommendations with respect to only a few of the most pressing and timely issues in which farmers are interested. We are submitting to the respective platform drafting committees a complete statement of our 1960 policies as adopted by the official elected voting delegates of the member State Farm Bureaus at our most recent annual meeting. These policies present our full recommendations on the subjects discussed in the attached statement and on the many other important issues of concern to our members.

CHARLES B. SHUMAN, *President*
American Farm Bureau Federation

FARM BUREAU PHILOSOPHY OF GOVERNMENT

The Constitution of the United States of America was conceived and purposely designed to make secure the God-given liberties of each individual against the domination of government. This objective was sought through a division of authority among the legislative, executive, and judicial branches of our federal republic; the diffusion of government powers; and the retention by the people of those powers not specifically delegated to government.

America's unparalleled progress is based on the freedom and dignity of the individual, initiative and equal opportunity, sustained by our faith in God and our basic moral and ethical values.

The principles of our competitive enterprise system derive from, and are consistent with, our religious values and the highest goals that mankind seeks. Through this system the American people have produced abundant goods and services and provided widespread educational advantages and religious opportunities.

The full realization of man's dreams as envisioned by our founding fathers can only be achieved if each individual assumes active responsibility for maintaining and strengthening the principles upon which our republic was founded and vigorously opposes all programs and policies which erode the very foundation of our American system.

We, as Farm Bureau members, believe:

- In our constitutional form of government and its division of powers.
- In freedom of speech, press, and peaceful assembly.
- In separation of church and state and in the right of each individual to worship according to the dictates of his own conscience.
- That self-government is a precious heritage which can be preserved only by the active, intelligent assumption of basic citizenship responsibilities by all people.
- In the American competitive enterprise system, in which property is privately owned, privately managed, and operated for profit and individual satisfaction, and in which supply and demand are the ultimate determinants of market price.
- That efficiency of production and maximum per capita production are primary elements in determining standards of living.

- That property rights cannot be separated from human rights and are essential to the preservation of individual rights guaranteed by the Constitution.
- That the exercise of free will, rather than force, is consistent with the maintenance of liberty.
- In the right of every man to choose his own occupation; to be rewarded according to his productive contribution to society; and to save, invest, spend, or convey to his heirs, his earnings as he chooses.
- That the centralization of power and authority in the federal government, the movement to socialize America, the apathy of the American people toward this trend, and the apparent lack of responsibility on the part of individual citizens are among the greatest dangers threatening our republic and our system of competitive enterprise.
- That the Constitution is the basic law of the land and that it should be interpreted in accordance with the intent of its authors.
- That the trend toward increased centralization of power in the federal government, if left unchecked, will lead to socialism and thus to communism.
- That such "planned economy" concepts as socialism, fascism, communism, and other forms of totalitarianism should be opposed wherever and in whatever form they may be found.
- That their personal beliefs with respect to private capitalism, socialism, and communism should be stated by candidates for public office and employees of government at all levels.
- That, in his quest for "security," the individual must oppose policies leading to the curtailment of individual freedom and opportunity.
- That monopoly in any form — whether by government, industry, labor, or agriculture — jeopardizes freedom and self-government.
- In government by law, impartially administered, without special privilege.
- That government propagandizing of the electorate threatens the maintenance of self-government.
- That establishment by the government of organizations of citizens which may in any way remain under its political influence or control threatens the continuation of self-government.
- That secrecy in government affairs should not be tolerated except as actually essential to national security.

- In strong and responsible state and local units of government and in protection of state laws against federal pre-emption.
- That farm people have the right and the responsibility to speak for themselves through organizations of their choice without government coercion or intervention.
- That the powers not specifically delegated to the federal government by the Constitution are reserved to the states or to the people and that such powers cannot be pre-empted by federal statutes and must not be pre-empted by the courts.

FUNDAMENTAL NATIONAL ECONOMIC POLICIES

American agriculture is an integral part of our total national economy. Advancing technology has made the farmer a specialist who is increasingly dependent on the rest of the economy for production supplies, essential services, and markets. Consequently, agriculture cannot properly be considered as something separate and apart from the rest of the national economy.

The fundamental basis for farm prosperity lies in factors outside of agriculture which affect the cost of the farmer's supplies, the availability of markets for his products, his freedom and opportunity to make the best possible use of his individual resources either in agriculture or in other pursuits, and the real value of his income dollar.

In order for farmers to prosper and keep pace with other groups in a changing world, we must have national policies which contribute to:

- I. **High employment and rising productivity throughout the economy** — to provide the basis for rising living standards and a high level of domestic demand for farm products.
- II. **A relatively stable general price level** — in order to avoid the painful economic and social disruptions that inevitably result from the extremes of inflation and depression.
- III. **Effective and wide spread competition** — as a means of promoting individual incentive and the efficient use of scarce resources. This means that no group — whether it be business, labor, agriculture, or the government itself — should be permitted to exercise monopolistic powers.

- IV. The expansion of international trade and investment** — to promote world peace, to help other countries develop their economic potentials, and to raise our own national income by exchanging goods for which we have the greatest comparative advantage for goods that can be more advantageously produced in other countries.

PRICE LEVEL STABILITY

Measures to bring about a more stable general price level are urgently needed as a means of providing a favorable climate for economic growth and a rising standard of living. The creation of such a climate is essential if we are to avoid a far-reaching, and undesirable, expansion of government controls over individual decisions and actions.

We must avoid the extremes of both inflation and deflation; however, inflation is the greater present danger. We cannot possibly hope to prevent inflation if the federal government continually engages in deficit spending on a large scale. Excessive federal spending is dangerous even though it is balanced by high taxes. We cannot maintain continued economic growth and private control of the economy if a continually increasing proportion of the national income is withdrawn through taxes.

Government spending should be held to the minimum necessary to carry on proper government functions with strict economy, within the framework of a balanced budget.

Other government policies which affect the supply of money and credit must also be directed toward promoting a relatively stable general price level together with high employment and rising productivity. The Employment Act of 1946 should be amended to make it clear beyond any doubt that it is national policy to stabilize the purchasing power of the dollar as well as to maintain a high level of employment. The Treasury should be permitted to pay competitive interest rates on long term government bonds. The antidotes to rising interest rates are increased savings and a federal budget surplus — not an inflationary increase in the money supply.

INTERNATIONAL TRADE

Farmers favor a high level of mutually advantageous international trade for three principal reasons:

1. Since the production of more than one acre in eight is exported, any reduction in foreign outlets would reduce farmers' incomes.

2. Any reduction in exports would release land, labor, and capital for the production of crops for a domestic market already oversupplied, thus complicating the problems of farmers who produce primarily for the domestic market.
3. The statement, "If goods do not cross national borders, soldiers will," is valid and gives added importance to our interest in — and support of — policies which will promote a high level of international trade.

Farmers and ranchers have come to realize the importance of their being able to import farm production supplies. There probably is no more dependable brake against present "run-away" costs of production than an effective reciprocal trade agreements program.

Agricultural surpluses amounting to over nine billion dollars have been exported under Public Law 480, the Agricultural Trade Development Act, at a very substantial cost to taxpayers. Public Law 480 should be considered and administered as a temporary program — not as a permanent means of exporting U.S. food and fiber.

Economic aid in the form of capital investment should be provided on a loan — not a grant — basis. Private investment is the preferred means of economic assistance.

PRICE SUPPORT AND ADJUSTMENT PROGRAMS

We recommend use of the following principles in determining what should be done in this area of public policy:

1. Farm production cannot be balanced with effective demand **by legislation** as long as increased production is being encouraged by government guarantees. Price-fixing programs of the past have failed to control production and have failed to protect farmers against reduced incomes.
2. We should move in the direction of eliminating government regulation of the right to produce agricultural commodities. Our experience in this regard clearly indicates that political determination of the right to produce is the road to low — not high — per family farm income.
3. Our farm plant is over expanded in relation to current markets — including the extraordinary "markets" made possible by special export aids. Land retirement programs, such as the Conservation Reserve, are not a cure-all. Nevertheless, a sizeable land retirement pro-

gram is urgently needed as a temporary measure to help farmers make the adjustments that must be made to correct the adverse results of past programs. To achieve the best results per dollar of public expenditure such a program should be voluntary and should permit the retirement of whole farms.

4. Where price support and production adjustment programs are used, they should be designed to facilitate orderly marketing rather than to fix prices. Price support levels should take account of competitive conditions, supply and demand, and market trends. They should not be based on formulas which ignore these factors nor be left completely to the discretion of any Secretary of Agriculture.
5. With less interference from government, the marketing system will be freer to operate effectively and efficiently. This will encourage the expansion of market outlets and the production of quality products in line with market demands. Thus, we can better meet competition at home and abroad.
6. Where special export pricing is necessary to regain or maintain foreign markets, we should return to a one-price system as rapidly as possible.
7. Individual commodity programs must be in harmony with the interests of agriculture generally; however, these programs must also recognize the inherent differences among various farm commodities.
8. Congress should retain responsibility for determining major provisions of commodity programs as it is the only body which represents all the people affected by such programs. The assumption that producers of a commodity are the only people interested in programs for that commodity is fallacious.

The general public has a legitimate interest in any program which affects the nation's food supply, international relations, and federal expenditures. All farmers are affected by individual commodity control programs. Such programs can and do shift resources from production of the controlled commodity to the production of other products. The livestock farmer obviously has an interest in the program for feed grains, and the feed grain producer has an equally direct interest in livestock programs.

9. We strongly oppose the establishment of maximums on price support loans, either in total or as applied to

individual farmers. A ceiling on individual loans would not remove the basic causes of high program costs. More significantly it would tend to reduce the size of farm units and thus lower production efficiency

10. The compensatory or direct production payment approach is unsound and dangerous to our economic and political system.

Regardless of the form in which it is presented, a direct payment program would be fantastically expensive. It would stimulate production, increase unit costs, depress market prices, and make farmers dependent on Congressional appropriations for their net farm income and a part of their production costs as well.

The payment approach carries a "cheap food" philosophy; however, in actual practice it would encourage inefficiency and thereby result in high food and fiber costs. Limitations on payments to individuals are inevitable in payment programs. Such limitations would place a ceiling on opportunity in agriculture and level individual farm incomes downward.

In recent years marketing agreements and orders have been useful tools in the orderly marketing of agricultural commodities. The keys to their success have been their application on a local or regional basis and the fact that they have not been used to fix prices or control production. We believe the use of marketing orders on a nationwide basis covering all areas is unsound and unworkable.

NATIONAL RESOURCES

A major need of American farmers is legislation to end the encroachment of the central government, through administrative and court decisions, on the water rights of the several states and on individual water rights established under state law.

Also needed is the development of a balanced and integrated program for the productive conservation and use of our soil and water resources. Such a program must place at least as much emphasis on upstream watershed projects as on expensive downstream dams. This can and should be done within the framework of a balanced national budget.

The foundation of the American economic system is the private development and management of resources. Our unparalleled production and standards of living are based on this foundation. This concept is no less applicable to the development of hydro power resources. The production and distribu-

tion of power should be primarily a function of private enterprise. Federal action should be limited to those instances, usually multiple purpose projects, where private enterprise is not able or willing to develop the resource effectively.

LABOR-MANAGEMENT RELATIONS

National policy has not yet found an effective answer to major disruptions occasioned by labor-management controversies such as the recent steel strike. Compulsory arbitration or other forms of government intervention to force a settlement should be avoided. We believe the answer which best serves the public interest is the restoration of genuine collective bargaining between an employer and his employees. To this end we favor legislation to provide that collective bargaining shall be between the employer and a bargaining unit representing his employees — and only his employees — and to prohibit collusion among employers and among bargaining units.

Wages should be determined primarily by individual and collective bargaining rather than by statute.

We believe that unions, like other groups, should be subject to anti-trust laws.

The authority of states to enact legislation prohibiting compulsory unionism must be preserved.

Political expenditures by any organization having compulsory membership should be more effectively prohibited. Compulsory political association is contrary to our concepts of freedom and individual rights.

MONOPOLY

Vigorous enforcement of anti-trust laws is essential to maintenance of our competitive system. Weakening proposals such as retail price maintenance, exclusive sales territories, and other proposals to establish impediments to competition should be avoided.

FEDERAL AID TO EDUCATION

Farm Bureau believes that the control, administration, and financing of our public school system should remain identified with the smallest unit of government capable of satisfactory performance.

We submit there is ample evidence to demonstrate that states and counties can build and have been building the schools they need. They are in much better financial position to do the job than the debt-ridden federal government. All the taxable wealth of the nation is located within the states, and it is as subject to state taxation as it is to federal taxation.

Federal aid to education would, we are convinced, lead gradually to a large measure of control by the federal government of the operations of our public school system. We consider this a substantial danger to our free educational system.

SOCIAL SECURITY AND MEDICAL CARE

Social Security programs should be designed to supplement rather than replace individual thrift and personal responsibility. The increasing costs of liberalized benefits are becoming a serious financial burden. We, therefore, recommend that existing programs be stabilized without further amendments which would increase benefits or require tax increases.

Social Security taxes should not be increased to pay medical costs for any portion of the population. The need for medical insurance should be met by expansion of existing private insurance programs without federal subsidy.

TRANSPORTATION

National transportation policy should provide for (1) maintenance of privately-owned, efficient, and economical transportation facilities; (2) competitive conditions among and within all modes of transportation; and (3) such minimum public regulation as is necessary in the public interest.

AGRICULTURAL RESEARCH AND EDUCATION

We continue to support efforts to strengthen agricultural research and education.

RURAL ELECTRIC AND TELEPHONE COOPERATIVES

We continue to support rural electric and telephone cooperatives organized and operated in accordance with accepted cooperative principles and practices.

AGRICULTURAL CREDIT

Farmers should be able to obtain credit necessary for their operations at interest rates consistent with the actual cost of money.

It is essential that the terms of credit for farm ownership, improvements, operation, cooperative marketing and purchasing, and young farmers seeking to establish themselves on economic farm units be adapted to farmers' needs.

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American Farm Bureau Federation

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AMERICAN FARM BUREAU FEDERATION

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